
House Engrossed Senate Bill

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

CHAPTER 314

SENATE BILL 1410

AN ACT

AMENDING SECTIONS 10-125, 10-202, 10-224, 10-1006, 10-1007, 10-1008, 10-1105, 10-1420, 10-1503, 10-1520, 10-1530, 10-3202, 10-3203, 10-3224, 10-11006, 10-11007, 10-11008, 10-11105, 10-11107, 10-11403, 10-11420, 10-11503, 10-11520, 10-11530, 10-11622, 29-304, 29-601, 29-631, 29-634, 29-635, 29-783, 29-784, 29-786 AND 44-1236, ARIZONA REVISED STATUTES; RELATING TO CORPORATIONS AND LIMITED LIABILITY COMPANIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 10-125, Arizona Revised Statutes, is amended to read:

10-125. Filing duty of commission

A. At the time of delivery of a document to the commission, the commission shall stamp, endorse or attach the date and time of delivery of the document.

~~B. If a document delivered to the commission for filing satisfies the requirements of chapters 1 through 17 of this title, the commission shall file it by stamping, otherwise endorsing or attaching the word "filed" on the original document. Except as provided in sections 10-503 and 10-1509, after filing a document,~~

B. THE COMMISSION SHALL FILE A DOCUMENT DELIVERED TO THE COMMISSION FOR FILING IF BOTH OF THE FOLLOWING APPLY:

1. THE COMMISSION DETERMINES THAT THE DOCUMENT SATISFIES THE REQUIREMENTS OF CHAPTERS 1 THROUGH 17 OF THIS TITLE.

2. THE CORPORATION FILING THE DOCUMENT OR ON WHOSE BEHALF THE DOCUMENT IS BEING FILED, IS IN GOOD STANDING WITHIN THE MEANING OF SECTION 10-128 OR 10-3128.

C. THE COMMISSION MAY FILE A DOCUMENT DELIVERED TO THE COMMISSION IN WHICH EITHER THE CORPORATION HAS FILED ARTICLES OF DISSOLUTION OR THE CORPORATION HAS FILED A DOCUMENT THAT IS REQUIRED TO BRING THE CORPORATION INTO GOOD STANDING. The commission shall deliver a document copy to the domestic or foreign corporation or its representative.

~~C.~~ D. If the commission refuses to file a document, it shall return it or a copy of the original to the domestic or foreign corporation or its representative within five days after the determination of refusal to file, together with a brief written explanation of the reason for the refusal.

~~D.~~ E. The filing or refusing to file a document by the commission does not:

1. Affect the validity or invalidity of the document in whole or part, except to the extent that filing is required to make the document valid.

2. Relate to the correctness or incorrectness of information contained in the document.

3. Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

Sec. 2. Section 10-202, Arizona Revised Statutes, is amended to read:

10-202. Articles of incorporation

A. The articles of incorporation shall set forth:

1. A corporate name for the corporation that satisfies the requirements of section 10-401.
2. The number of shares the corporation is authorized to issue.
3. A brief statement of the character of business that the corporation initially intends to actually conduct in this state. This statement does not constitute a limitation on the character of business that the corporation ultimately may conduct.
4. The name and address of each person who is to serve as a director until a successor is elected and qualifies.
5. The name, street address and signature of the corporation's statutory agent.
6. The street address of the known place of business for the corporation, if different from that of its statutory agent.
7. The name and address of each incorporator.
8. Any provision elected by the incorporators that under chapters 1 through 17 of this title or any other law of this state may be elected only by specific inclusion in the articles of incorporation.
9. The signatures of all incorporators.

B. The articles of incorporation may set forth:

1. A provision eliminating or limiting the liability of a director to the corporation or its shareholders for money damages for any action taken or any failure to take any action as a director, except liability for any of the following:
 - (a) The amount of a financial benefit received by a director to which the director is not entitled.
 - (b) An intentional infliction of harm on the corporation or the shareholders.
 - (c) A violation of section 10-833.
 - (d) An intentional violation of criminal law.
2. A provision permitting or making obligatory indemnification of a director for liability, as defined in section 10-850, to any person for any action taken, or any failure to take any action, as a director, except liability for any of the exceptions described in paragraph 1 of this subsection.
3. Any other provision, not inconsistent with law.

C. The articles of incorporation need not set forth any of the corporate powers enumerated in chapters 1 through 17 of this title.

D. The certificate of disclosure shall set forth all of the following:

1. The following information regarding all persons who at the time of its delivery are officers, directors, trustees, incorporators and persons controlling or holding over ten per cent of the issued and outstanding common shares or ten per cent of any other proprietary, beneficial or membership interest in the corporation:
 - (a) Whether any of the persons have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of the certificate.
 - (b) Whether any of the persons have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding the execution of the certificate.
 - (c) Whether any of the persons are or have been subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding the execution of the certificate, if the injunction, judgment, decree or permanent order involved any of the following:
 - (i) The violation of fraud or registration provisions of the securities laws of that jurisdiction.
 - (ii) The violation of the consumer fraud laws of that jurisdiction.
 - (iii) The violation of the antitrust or restraint of trade laws of that jurisdiction.

(d) With regard to any of the persons who have been convicted of the crimes or who are the subject of the judicial action described in subdivisions (a), (b) and (c) of this paragraph, information regarding:

(i) Identification of the persons, including present full name, all prior names or aliases, including full birth name, present home address, all prior addresses for the immediately preceding seven year period, ~~AND~~ date and location of birth ~~and social security number~~.

(ii) The nature and description of each conviction or judicial action, the date and location, the court and public agency involved, and the file or cause number of the case.

2. A brief statement disclosing whether any persons who at the time of its delivery are officers, directors, trustees, incorporators and persons controlling or holding over twenty per cent of the issued and outstanding common shares or twenty per cent of any other proprietary, beneficial or membership interest in the corporation and who have served in any such capacity or held a twenty per cent interest in any other corporation on the bankruptcy, ~~OR~~ receivership ~~or charter revocation~~ of the other corporation. If so, for each corporation, the certificate shall include:

(a) The names and addresses of each corporation and the person or persons involved.

(b) The state in which each corporation:

(i) Was incorporated.

(ii) Transacted business.

(c) The dates of corporate operation.

3. The signatures of all of the incorporators.

4. The date of its execution, which shall be not more than thirty days before its delivery to the commission.

5. A declaration by each signer that he swears to its contents under penalty of law.

E. The certificate of disclosure may set forth the name and address of any other person whom the incorporators elect to be the subject of those disclosures required under subsection D, paragraph 1 of this section.

F. If within sixty days after delivering the articles of incorporation and certificate of disclosure to the commission any person becomes an officer, director, trustee or person controlling or holding over ten per cent of the issued and outstanding shares or ten per cent of any other proprietary, beneficial or membership interest in the corporation and the person was not the subject of the disclosures set forth in the certificate of disclosure, the incorporators or, if the organization of the corporation has been completed as provided in section 10-205, the corporation shall execute and deliver to the commission within the sixty day period a declaration, sworn to under penalty of law, setting forth all information required by subsection D, paragraph 1 of this section regarding the person. If the incorporators or, as applicable, the corporation fail to comply with this subsection, the commission may administratively dissolve the corporation pursuant to section 10-1421.

G. If any of the persons described in subsection D, paragraph 1 of this section have been convicted of the crimes or are the subject of the judicial action described in subsection D, paragraph 1 of this section, the commission may direct detailed interrogatories to the persons requiring any additional relevant information deemed necessary by the commission. The interrogatories shall be completely answered within thirty days after mailing of the interrogatories. With respect to corporations incorporating or seeking authority to transact business, articles of incorporation or an application for authority shall not be filed until all outstanding interrogatories have been answered to the satisfaction of the commission. With respect to existing domestic and foreign corporations, if the interrogatories are not answered as provided in this subsection or the answers to the interrogatories otherwise indicate proper grounds for an administrative dissolution, the commission shall initiate an administrative dissolution in accordance with chapters 1 through 17 of this title.

H. On a quarterly updated basis, the commission shall provide to the attorney general a list of all persons who are convicted of the crimes or who are the subject of the judicial action described in

subsection D, paragraph 1 of this section as indicated by the certificates of disclosure filed during the preceding three months.

I. Any person who executes or contributes information for a certificate of disclosure and who intentionally makes any untrue statement of material fact or withholds any material fact with regard to the information required in subsection D, paragraph 1 of this section is guilty of a class 6 felony.

Sec. 3. Section 10-224, Arizona Revised Statutes, is amended to read:

10-224. Recording and publication of articles of domestication

Within sixty days after the commission has approved the filing of the articles of domestication, a copy of the articles of domestication shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after approval by the commission of the filing of the articles of domestication. If other laws require the domesticated corporation to record its articles of incorporation, the domesticated corporation shall also record the articles of domestication.

Sec. 4. Section 10-1006, Arizona Revised Statutes, is amended to read:

10-1006. Articles of amendment

A. A corporation amending its articles of incorporation shall deliver to the commission for filing articles of amendment setting forth:

1. The name of the corporation.
 2. The text of each amendment adopted.
 3. If an amendment provides for an exchange, reclassification or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself.
 4. The date of each amendment's adoption.
 5. If an amendment was adopted by the incorporators or board of directors without shareholder action, a statement to that effect and that shareholder action was not required.
 6. If an amendment was approved by the shareholders:
 - (a) The designation of outstanding shares, number of outstanding shares, number of votes entitled to be cast by each voting group entitled to vote separately on the amendment and number of votes of each voting group indisputably represented at the meeting.
 - (b) Either the total number of votes cast for and against the amendment by each voting group entitled to vote separately on the amendment or the total number of undisputed votes cast for the amendment by each voting group and a statement that the number cast for the amendment by each voting group was sufficient for approval by that voting group.
- B. Within sixty days after the commission has approved the filing, a copy of the articles of amendment shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after approval by the commission of the filing of the articles of amendment.

Sec. 5. Section 10-1007, Arizona Revised Statutes, is amended to read:

10-1007. Restated articles of incorporation

A. A corporation's board of directors may restate its articles of incorporation at any time with or without shareholder action.

B. The restatement may include one or more amendments to the articles. If the restatement includes an amendment requiring shareholder approval, it shall be adopted as provided in section 10-1003.

C. If the board of directors submits a restatement for shareholder action, the corporation shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders' meeting in accordance with section 10-705. The notice shall also state that the purpose or one of the purposes of the meeting is to consider the proposed restatement and shall contain or be accompanied by a copy of the restatement that identifies any amendment or other change it would make in the articles.

D. A corporation restating its articles of incorporation shall deliver to the commission for filing articles of restatement setting forth the name of the corporation and the text of the restated articles of incorporation together with a certificate setting forth:

1. Whether the restatement contains an amendment to the articles requiring shareholder approval and, if it does not, that the board of directors adopted the restatement.

2. If the restatement contains an amendment to the articles requiring shareholder approval, the information required by section 10-1006.

E. Duly adopted restated articles of incorporation supersede the original articles of incorporation and all amendments to them.

F. The commission may certify restated articles of incorporation, as the articles of incorporation currently in effect, without including the certificate information required by subsection D of this section.

G. Within sixty days after the commission has approved the filing, a copy of the articles of restatement shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after the approval by the commission of the filing of the articles of restatement.

Sec. 6. Section 10-1008, Arizona Revised Statutes, is amended to read:

10-1008. Amendment pursuant to reorganization

A. A corporation's articles of incorporation may be amended pursuant to this section without action by the board of directors or shareholders to carry out a plan of reorganization confirmed by an order or decree of a court of competent jurisdiction under a federal statute or a statute of this state if the articles of incorporation after amendment contain only provisions required or permitted by section 10-202.

B. Before the date of entry of a final decree in the reorganization proceeding, the individual or individuals designated by the plan shall deliver to the commission for filing articles of amendment setting forth all of the following:

1. The name of the corporation.

2. The text of each amendment contained in the plan of reorganization.

3. The date of the court's order or decree confirming the plan of reorganization containing the articles of amendment.

4. The title of the reorganization proceeding in which the order or decree was entered.

5. A statement that the court had jurisdiction of the proceeding under federal or state statute.

C. Shareholders of a corporation undergoing reorganization do not have dissenters' rights except as and to the extent provided in the reorganization plan.

D. This section does not apply after entry of a final decree in the reorganization proceeding even though the court retains jurisdiction of the proceeding for limited purposes unrelated to consummation of the reorganization plan.

E. Within sixty days after the commission has approved the filing, a copy of the articles of amendment shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after approval by the commission of the filing of the articles of amendment.

Sec. 7. Section 10-1105, Arizona Revised Statutes, is amended to read:

10-1105. Articles of merger or share exchange: publication

A. After a plan of merger or share exchange is approved by the shareholders or adopted by the board of directors if shareholder approval is not required, the surviving or acquiring corporation shall deliver to the commission for filing both:

1. The plan of merger or share exchange.

2. Articles of merger or share exchange setting forth:

- (a) The names of the corporations that were parties to the merger or share exchange.

- (b) The name and address of the known place of business of the surviving or acquiring corporation.

- (c) The name and address of the statutory agent of the surviving or acquiring corporation.
- (d) Any amendments to the articles of incorporation of the surviving corporation.
- (e) If shareholder approval was not required, a statement to that effect.
- (f) If approval of the shareholders of one or more corporations party to the merger or share exchange was required:
 - (i) The designation, number of outstanding shares and number of votes entitled to be cast by each voting group entitled to vote separately on the plan as to each corporation.
 - (ii) Either the total number of votes cast for and against the plan by each voting group entitled to vote separately on the plan or the total number of undisputed votes cast for the plan separately by each voting group and a statement that the number cast for the plan by each voting group was sufficient for approval by that voting group.

B. A merger or share exchange takes effect at the effective time and date of the articles of merger or share exchange, as determined pursuant to section 10-123.

C. If the articles of merger include amendments to the articles of incorporation of the surviving corporation, the document required to be filed and published under this section shall be styled "articles of amendment and merger".

D. Within sixty days after the commission has approved the filing, a copy of the articles of merger or share exchange shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after approval by the commission of the filing of the articles of merger or share exchange.

Sec. 8. Section 10-1420, Arizona Revised Statutes, is amended to read:

10-1420. Grounds for administrative dissolution

The commission may commence a proceeding under section 10-1421 to administratively dissolve a corporation if either:

1. The corporation does not pay within sixty days after they are due any fees or penalties imposed by chapters 1 through 17 of this title.
2. The corporation does not deliver its annual report to the commission within sixty days after it is due.
3. The corporation is without a statutory agent or known place of business in this state for sixty days or more.
4. The corporation does not notify the commission within sixty days that its statutory agent or known place of business has been changed, that its statutory agent has resigned or that its principal office has been discontinued.
5. The corporation has failed to make any publication required by this title ~~and file an affidavit of publication within the time prescribed by this title~~, provided the commission has notified the corporation of the intent of the commission to commence a dissolution proceeding for that reason and the corporation has failed to file an affidavit of publication **OR OTHER APPROPRIATE EVIDENCE OF PUBLICATION** within sixty days after that notice.
6. The corporation's period of duration stated in its articles of incorporation expires.
7. The corporation has failed to comply with section 10-202, subsection F.
8. Any officer or other representative of the corporation has made any misrepresentation of a material matter in any application, report, ~~affidavit~~ or other document submitted by the corporation pursuant to chapters 1 through 17 of this title.
9. The corporation has failed to comply with section 10-1403, subsection D, or the commission has not received the notice required by section 10-1403, subsection C, within six months after filing articles of dissolution.
10. The corporation has failed to file a certificate of disclosure or answer interrogatories as prescribed in chapters 1 through 17 of this title.
11. The corporation failed to comply with section 10-1623, subsection A.

Sec. 9. Section 10-1503, Arizona Revised Statutes, is amended to read:

10-1503. Application for authority to transact business

A. A foreign corporation may apply for authority to transact business in this state by delivering an application and a certificate of disclosure to the commission for filing. The certificate of disclosure shall contain the information set forth in section 10-202, subsection D and is subject to the requirements of section 10-202, subsection F. The application shall be executed by the corporation and shall set forth:

1. The name of the foreign corporation and, if its name is unavailable for use in this state, a corporate name that satisfies the requirements of section 10-1506.
2. The name of the state or country under whose law it is incorporated.
3. Its date of incorporation and period of duration.
4. The street address of its principal office in its state or country of incorporation.
5. The street address of the proposed known place of business of the corporation in this state and the name and street address of its proposed statutory agent in this state.
6. If its purpose or purposes are narrower than the transaction of any or all lawful business in which corporations may engage in the state or country under whose law it is incorporated, a statement of the limitations on its purpose.
7. The names and usual business addresses of its current directors and officers.
8. A statement of the aggregate number of shares that the corporation has authority to issue, itemized by classes, par value of shares, shares without par value and series, if any, within a class.
9. A statement of the aggregate number of issued shares itemized by classes, par value of shares, shares without par value and series, if any, within a class.
10. A brief statement of the character of business that the corporation initially intends actually to conduct in this state. This statement does not limit the character of business that the corporation ultimately conducts.

B. The foreign corporation shall deliver the application and the certificate of disclosure to the commission, together with a copy of its articles of incorporation, any amendments to the articles of incorporation and a certificate of existence or a document of similar import duly authenticated by the secretary of state or other official having custody of corporate records in the state or country under whose law it is incorporated, and the nonrefundable fees required by law.

C. After determining that the application sets forth the information required by this section, does not use as the name of the corporation in this state a name that is in violation of section 10-1506 and appears in all other respects to conform to the requirements of this article, the commission shall file the application. The date of filing shall be the date on which the corporation is granted authority to transact business in this state.

D. Within sixty days after the commission has approved the filing, a copy of the application shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed within ninety days after approval by the commission of the filing of the application.

E. A foreign corporation authorized to transact business in this state is subject to section 10-1623. Sec. 10. Section 10-1520, Arizona Revised Statutes, is amended to read:

10-1520. Withdrawal of foreign corporation

A. A foreign corporation authorized to transact business in this state shall not withdraw from this state until the commission files its application for withdrawal.

B. A foreign corporation authorized to transact business in this state may apply to surrender the authority by delivering an application to the commission for filing. The application shall set forth:

1. The name of the foreign corporation and the name of the state or country under whose law it is incorporated.
2. That it is not transacting business in this state and that it surrenders its authority to transact business in this state.

3. That the foreign corporation revokes the authority of its statutory agent to accept service on its behalf and appoints the commission as its agent for service of process in any proceeding based on a cause of action arising during the time it was authorized to transact business in this state.

4. A mailing address to which the commission may mail a copy of any process served on the commission pursuant to its appointment as the foreign corporation's agent for service of process.

5. A commitment to notify the commission in the future of any change in the foreign corporation's mailing address.

C. The application for withdrawal is not considered complete until the commission has received a notice from the department of revenue to the effect that the tax levied under title 42, chapter 5, article 1 against the foreign corporation has been paid or until it is notified by the department of revenue that the applicant is not subject to the tax and further has received from the department of revenue its certificate issued pursuant to section 43-1151.

D. The application for withdrawal is not considered complete until all fees, penalties and costs required to be paid under this chapter have been paid ~~and until the commission has received an affidavit that a copy of the application for withdrawal has been published.~~

E. After determining that the application appears in all respects to conform to the requirements of this chapter and when all fees have been paid as are prescribed in this chapter, the commission shall file the application in the manner provided in section 10-120. On the filing of the application for withdrawal, the authority of the foreign corporation to transact business in this state ceases.

F. After withdrawal of the foreign corporation is effective, service of process on the commission under this section is service on the foreign corporation. On receipt of process, the commission shall mail a copy of the process to the foreign corporation at the most recent mailing address provided by the foreign corporation in the application or by notice to the commission.

Sec. 11. Section 10-1530, Arizona Revised Statutes, is amended to read:

10-1530. Grounds for revocation

The commission may commence a proceeding under section 10-1531 to revoke the authority of a foreign corporation to transact business in this state if any of the following conditions exist:

1. The foreign corporation does not deliver its annual report to the commission within the time required by chapters 1 through 17 of this title.

2. The foreign corporation does not pay any fees or penalties imposed by chapters 1 through 17 of this title when they become due and payable.

3. The foreign corporation is without a statutory agent or known place of business in this state for sixty days or more.

4. The foreign corporation does not inform the commission that its statutory agent or known place of business has changed or that its statutory agent has resigned within sixty days of the change or resignation.

5. The foreign corporation has failed to make any publication required by this title ~~and file affidavit of publication thereof within the time prescribed by this title,~~ provided the commission has notified the foreign corporation of the intent of the commission to commence a revocation proceeding for that reason and the foreign corporation has failed to file an affidavit **OR OTHER APPROPRIATE EVIDENCE** of publication within sixty days after that notice.

6. An incorporator, director, officer or agent of the foreign corporation signed a document he knew was false in any material respect with intent that the document be delivered to the commission for filing.

7. The commission receives a duly authenticated certificate from the secretary of state or other official having custody of corporate records in the state or country under whose law the foreign corporation is incorporated stating that it has been dissolved or disappeared as the result of a merger.

8. The corporation has failed to file a certificate of disclosure or answer interrogatories as prescribed in chapters 1 through 17 of this title.

9. Any officer or other representative of the corporation has made any misrepresentation of a material matter in any application, report, ~~affidavit~~ or other document submitted by the corporation pursuant to chapters 1 through 17 of this title.

Sec. 12. Section 10-3202, Arizona Revised Statutes, is amended to read:

10-3202. Articles of incorporation

A. The articles of incorporation shall set forth:

1. A corporate name for the corporation that satisfies the requirements of section 10-3401.
2. A brief statement of the character of affairs that the corporation initially intends to conduct. This statement does not limit the affairs that the corporation may conduct.
3. The name and address of each person who is to serve as a director until a successor is elected and qualifies.
4. The name, street address and signature of the corporation's statutory agent.
5. The street address of the known place of business for the corporation, if different from that of its statutory agent.
6. The name and address of each incorporator.
7. Whether or not the corporation will have members.
8. Any provision elected by the incorporators that under chapters 24 through 40 of this title or any other law of this state may be elected only by specific inclusion in the articles of incorporation.
9. The signatures of all incorporators.

B. The articles of incorporation may set forth:

1. A provision eliminating or limiting the liability of a director to the corporation or its members for money damages for any action taken or any failure to take any action as a director, except liability for any of the following:
 - (a) The amount of a financial benefit received by a director to which the director is not entitled.
 - (b) An intentional infliction of harm on the corporation or the members.
 - (c) A violation of section 10-3833.
 - (d) An intentional violation of criminal law.
2. A provision permitting or making obligatory indemnification of a director for liability, as defined in section 10-3850, to any person for any action taken, or any failure to take any action, as a director, except liability for any of the exceptions described in paragraph 1 of this subsection.
3. Any other provision, not inconsistent with law.

C. The articles of incorporation need not set forth any of the corporate powers enumerated in chapters 24 through 40 of this title.

D. The certificate of disclosure shall set forth all of the following:

1. The following information regarding all persons who at the time of its delivery are officers, directors, trustees and incorporators:
 - (a) Whether any of the persons have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of the certificate.
 - (b) Whether any of the persons have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding the execution of the certificate.
 - (c) Whether any of the persons are or have been subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding the execution of the certificate, if the injunction, judgment, decree or permanent order involved any of the following:
 - (i) The violation of fraud or registration provisions of the securities laws of that jurisdiction.
 - (ii) The violation of consumer fraud laws of that jurisdiction.
 - (iii) The violation of the antitrust or restraint of trade laws of that jurisdiction.

(d) With regard to any of the persons who have been convicted of the crimes or who are the subject of the judicial action described in subdivisions (a), (b) and (c) of this paragraph, information regarding:

(i) Identification of the persons, including present full name, all prior names or aliases, including full birth name, present home address, all prior addresses for the immediately preceding seven year period, ~~AND~~ date and location of birth ~~and social security number~~.

(ii) The nature and description of each conviction or judicial action, the date and location, the court and public agency involved, and the file or case number of the case.

2. A brief statement disclosing whether any persons who at the time of its delivery are officers, directors, trustees and incorporators and who have served in any such capacity in any other corporation on the bankruptcy, ~~OR~~ receivership ~~or charter revocation~~ of the other corporation. If so, for each corporation, the certificate shall include:

(a) The names and addresses of each corporation and the person or persons involved.

(b) The state in which each corporation:

(i) Was incorporated.

(ii) Transacted business.

(c) The dates of corporate operation.

3. The signatures of all the incorporators.

4. The date of its execution, which shall be not more than thirty days before its delivery to the commission.

5. A declaration by each signer that the signer swears to its contents under penalty of law.

E. The certificate of disclosure may set forth the name and address of any other person whom the incorporator or incorporators choose to be the subject of those disclosures required under subsection D, paragraph 1 of this section.

F. If within sixty days after delivering the articles of incorporation and certificate of disclosure to the commission any person becomes an officer, director or trustee and the person was not the subject of the disclosures set forth in the certificate of disclosure, the incorporator or incorporators or, if the organization of the corporation has been completed as provided in section 10-3205, the corporation shall execute and deliver to the commission within the sixty day period a declaration, sworn to under penalty of law, setting forth all information required by subsection D, paragraph 1 of this section, regarding the person. If the incorporator or incorporators or, as applicable, the corporation fails to comply with this subsection, the commission may administratively dissolve the corporation pursuant to section 10-11421.

G. If any of the persons described in subsection D, paragraph 1 of this section have been convicted of the crimes or are the subject of the judicial action described in subsection D, paragraph 1 of this section, the commission may direct detailed interrogatories to the persons requiring any additional relevant information deemed necessary by the commission. The interrogatories shall be completely answered within thirty days after mailing of the interrogatories. With respect to corporations incorporating or seeking authority to conduct affairs, articles of incorporation or an application for authority shall not be filed until all outstanding interrogatories have been answered to the satisfaction of the commission. With respect to existing domestic and foreign corporations, if the interrogatories are not answered as provided in this subsection or the answers to the interrogatories otherwise indicate proper grounds for an administrative dissolution, the commission shall initiate an administrative dissolution in accordance with chapters 24 through 40 of this title.

H. On a quarterly updated basis, the commission shall provide to the attorney general a list of all persons who are convicted of the crimes or who are the subject of the judicial action described in subsection D, paragraph 1 of this section as indicated by the certificate of disclosure filed during the preceding three months.

I. Any person who executed or contributed information for a certificate of disclosure and who intentionally makes any untrue statement of material fact or withholds any material fact with regard to the information required in subsection D, paragraph 1 of this section is guilty of a class 6 felony.

Sec. 13. Section 10-3203, Arizona Revised Statutes, is amended to read:

10-3203. Incorporation

A. Unless a delayed effective date is specified in the articles of incorporation, incorporation occurs and the corporate existence begins when the articles of incorporation and certificate of disclosure are delivered to the commission for filing.

B. The commission's filing of the articles of incorporation and certificate of disclosure is conclusive proof that the incorporators satisfied all conditions precedent to incorporation except in a proceeding by the state to cancel or revoke the incorporation or involuntarily dissolve the corporation pursuant to chapter 37 of this title.

C. Subject to section 10-3124, if the commission determines that the requirements of chapters 24 through 42 of this title for filing have not been met, the articles of incorporation and certificate of disclosure shall not be filed and the corporate existence terminates at the time the commission completes the determination. If the corporate existence is terminated pursuant to this subsection, sections 10-11404, 10-11405 and 10-11406 apply.

D. Within sixty days after the commission has approved the filing, a copy of the articles of incorporation shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after approval by the commission of the filing of the articles of incorporation.

Sec. 14. Section 10-3224, Arizona Revised Statutes, is amended to read:

10-3224. Recording and publication of articles of domestication

Within sixty days after the commission has approved the filing of the articles of domestication, a copy of the articles of domestication shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after the approval by the commission of the filing of the articles of domestication. If other laws require the domesticated corporation to record its articles of incorporation, the domesticated corporation shall also record the articles of domestication.

Sec. 15. Section 10-11006, Arizona Revised Statutes, is amended to read:

10-11006. Articles of amendment

A. A corporation amending its articles of incorporation shall deliver to the commission for filing articles of amendment setting forth:

1. The name of the corporation.
2. The text of each amendment adopted.
3. The date of each amendment's adoption.
4. A statement that the amendment was duly adopted by act of the members or act of the board of directors and, if applicable, with the approval required pursuant to section 10-11030.

B. Within sixty days after the commission has approved the filing, a copy of the articles of amendment shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after approval by the commission of the filing of the articles of amendment.

Sec. 16. Section 10-11007, Arizona Revised Statutes, is amended to read:

10-11007. Restated articles of incorporation

A. A corporation's board of directors may restate its articles of incorporation at any time with or without approval by the members or any other person.

B. The restatement may include one or more amendments to the articles of incorporation. If the restatement includes an amendment requiring approval by the members or any other person, it shall be adopted as provided in section 10-11003.

C. If the board of directors submits a restatement for member action, the corporation shall notify each member entitled to vote of the proposed membership meeting in writing in accordance with section 10-3705. The notice shall also state that the purpose or one of the purposes of the meeting is to consider the proposed restatement and shall contain or be accompanied by a copy or summary of the restatement that identifies any amendment or other change it would make in the articles.

D. If the board of directors submits a restatement for member action by written ballot or written consent, the material that solicits the approval shall contain or be accompanied by a copy or summary of the restatement that also identifies any amendment or other change it would make in the articles of incorporation.

E. A corporation restating its articles of incorporation shall deliver to the commission for filing articles of restatement setting forth the name of the corporation and the text of the restated articles of incorporation together with a certificate setting forth:

1. Whether the restatement contains an amendment to the articles requiring approval by any other person other than the board of directors and, if it does not, that the board of directors adopted the restatement.

2. If the restatement contains an amendment to the articles requiring approval by the members, a statement that such approval was obtained.

3. If the restatement contains an amendment to the articles requiring approval by a person whose approval is required pursuant to section 10-11030, a statement that such approval was obtained.

F. Duly adopted restated articles of incorporation supersede the original articles of incorporation and all amendments to them.

G. The commission may certify restated articles of incorporation, as the articles of incorporation currently in effect, without including the certificate information required by subsection E of this section.

H. Within sixty days after the commission has approved the filing, a copy of the articles of restatement shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after approval by the commission of the filing of the articles of restatement.

Sec. 17. Section 10-11008, Arizona Revised Statutes, is amended to read:

10-11008. Amendment pursuant to reorganization

A. A corporation's articles may be amended pursuant to this section without action by the board of directors or members or approval required pursuant to section 10-11030 to carry out a plan of reorganization ordered or decreed by a court of competent jurisdiction under a federal statute or a statute of this state if the articles of incorporation after amendment contain only provisions required or permitted by section 10-3202.

B. Before the date of entry of a final decree in the reorganization proceeding, the individual or individuals designated by the court plan shall deliver to the commission articles of amendment setting forth all of the following:

1. The name of the corporation.

2. The text of each amendment contained in the plan of reorganization.

3. The date of the court's order or decree confirming the plan of reorganization containing the articles of amendment.

4. The title of the reorganization proceeding in which the order or decree was entered.

5. A statement that the court had jurisdiction of the proceeding under federal or state statute.

C. This section does not apply after entry of a final decree in the reorganization proceeding even though the court retains jurisdiction of the proceeding for limited purposes unrelated to consummation of the reorganization plan.

D. Within sixty days after the commission has approved the filing, a copy of the articles of amendment shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the

commission within ninety days after approval by the commission of the filing of the articles ~~of~~ OF amendment.

Sec. 18. Section 10-11105, Arizona Revised Statutes, is amended to read:

10-11105. Articles of merger or membership exchange; publication

A. After a plan of merger or membership exchange is approved by the board of directors and, if required by section 10-11103, by the members and any other persons, the surviving or acquiring corporation shall deliver to the commission for filing both:

1. The plan of merger or membership exchange.
2. Articles of merger or membership exchange setting forth:
 - (a) The names of the corporations that were parties to the merger or membership exchange.
 - (b) The name and address of the known place of business of the surviving or acquiring corporation.
 - (c) The name and address of the statutory agent of the surviving or acquiring corporation.
 - (d) Any amendments to the articles of incorporation of the surviving corporation.
 - (e) A statement that the amendment was duly adopted by act of the board of directors and, if required by section 10-11103, by act of the members and any other persons.

B. A merger takes effect at the effective time and date of the articles of merger, as determined pursuant to section 10-3123.

C. If the articles of merger include amendments to the articles of incorporation of the surviving corporation, the document required to be filed and published under this section shall be styled "articles of amendment and merger".

D. Within sixty days after the commission has approved the filing, a copy of the articles of merger or membership exchange shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after approval by the commission of the filing of the articles of merger or membership exchange.

Sec. 19. Section 10-11107, Arizona Revised Statutes, is amended to read:

10-11107. Merger or exchange with other entities

A. In addition to mergers or exchanges governed by sections 10-11101 and 10-11102, a domestic corporation may merge or enter into an exchange of memberships and interests with one or more other entities incorporated, formed or organized under the laws of this state, any other state, the United States, any foreign country or any other jurisdiction, if:

1. In a merger, the merger is permitted by the law of the jurisdiction under whose laws the other entity is incorporated, formed or organized, and each other entity complies with that law in effecting the merger. For entities incorporated, formed or organized under the laws of this state, this section constitutes permission for the merger.
2. Each domestic nonprofit corporation approves the plan of merger or exchange in the manner required by section 10-11103, subsection B.
3. Each other entity approves the plan of merger or exchange in the manner required by the laws of the jurisdiction under whose laws it is organized.
4. Rights or securities of or interests in an entity that is a party to the merger or exchange may be exchanged for or converted into cash, property, obligations, rights or securities of or interests in the surviving or resulting entity.

B. The plan of merger or exchange shall set forth:

1. The name and jurisdiction of incorporation, formation or organization of each entity that plans to merge or exchange.
2. The name of the surviving or acquiring entity.
3. The terms and conditions of the merger or exchange.
4. The manner and basis, if any, of converting or exchanging the memberships, rights or securities of or interests in each entity that is a party to the merger or to be acquired in the exchange into or for obligations, memberships, rights or securities of or interest in the surviving or acquiring entity or into or for cash or other property in whole or in part.

C. The plan of merger or exchange may set forth:

1. In a merger, amendments to the articles or certificate of incorporation or organization, the certificate of limited partnership or similar organizational document of the surviving entity.
2. Other provisions relating to the merger or exchange.

D. After a plan of merger or exchange is approved as provided in subsection A, paragraphs 2 and 3 of this section, the surviving or acquiring entity shall deliver to the commission for filing both:

1. The plan of merger or exchange, or a statement that the plan of merger or exchange is on file at a place of business of the surviving or acquiring entity, including the address of the place of business, and a statement that the surviving or acquiring entity will provide a copy of the plan of merger or exchange on request and without cost to any person who holds an interest in an entity that is a party to the merger or exchange.

2. The articles of merger or exchange setting forth:

- (a) The names of the domestic nonprofit corporations and other entities that were parties to the merger or exchange.

- (b) The name and a place of business of the surviving or acquiring entity.

- (c) If the surviving entity in a merger is a domestic nonprofit or business corporation, any amendments to the articles of incorporation of that corporation.

3. If the surviving entity in a merger is not an entity organized under the laws of this state, both of the following:

- (a) A statement that the surviving entity agrees that it may be served with process in this state in an action, suit or proceeding for the enforcement of any obligation of any entity that was organized under the laws of this state and that is a party to the merger and for the enforcement of any obligation of the surviving entity arising from the merger.

- (b) A statement that the surviving entity irrevocably appoints the commission as its agent to accept service of process in the action, suit or proceeding described in subdivision (a) of this paragraph, including the address to which the commission shall mail a copy of the process.

E. The articles of merger shall serve as the articles or certificate of dissolution, termination or cancellation for an entity that is not the surviving entity in a merger.

F. A merger or exchange takes effect at the effective time and date of the articles of merger or exchange, as determined pursuant to section 10-3123.

G. If the articles of merger include amendments to the articles of incorporation of the surviving corporation as described in subsection D, paragraph 2, subdivision (c) of this section, the document required to be filed and published under this section shall be styled "articles of amendment and merger".

H. Within sixty days after the commission has approved the filing, a copy of the articles of merger or share exchange shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after approval by the commission of the filing of the articles of merger or share exchange.

I. When a merger takes effect:

1. Every other entity that is a party to the merger merges into the surviving entity and the separate existence of every entity except the surviving entity ceases.

2. The title to all real estate and other property owned by each entity that is a party to the merger is vested automatically in the surviving entity without reversion or impairment, subject to any and all conditions to which the property was subject prior to the merger.

3. The surviving entity automatically has all of the liabilities of each entity that is a party to the merger.

4. A proceeding pending against any entity that is a party to the merger may be continued as if the merger did not occur or the surviving entity may be substituted in the proceeding for the entity whose existence ceased.

5. The organizational document of the surviving entity is amended to the extent provided in the articles of amendment and merger.

6. The memberships, rights or securities of or interests in each entity that is a party to the merger that are to be converted into obligations, memberships, rights or securities of or other interests in the surviving or any other entity or into cash or other property are converted, and the former holders of the memberships, rights, securities or interests are entitled only to the rights provided in the plan of merger.

J. If an exchange takes effect, the memberships, rights or securities of or other interests in each acquired entity are exchanged as provided in the plan, and the former holders of the membership, rights, securities or interests are entitled only to the exchange rights provided in the plan of exchange.

K. Unless the plan of merger or exchange provides otherwise, each entity that is a party to the merger or exchange may abandon the proposed merger or exchange before the effective date of the merger or exchange in a manner required by the laws of the jurisdiction in which the entity is organized.

L. This section does not limit the power of an entity to acquire all or part of the memberships of one or more classes of a domestic corporation through a voluntary exchange or otherwise.

Sec. 20. Section 10-11403, Arizona Revised Statutes, is amended to read:

10-11403. Articles of dissolution

A. At any time after dissolution is authorized, the corporation may dissolve by delivering to the commission articles of dissolution setting forth all of the following:

1. The name of the corporation.

2. The date dissolution was authorized.

3. A statement that the dissolution was duly authorized by an act of the members or an act of the board of directors and, if applicable, with the approval required pursuant to section 10-11402.

B. A corporation is dissolved on the effective date of its articles of dissolution.

C. The articles of dissolution shall not be considered complete until all fees, penalties and costs required to be paid under this title have been paid.

D. Within sixty days after the commission has approved the filing, a copy of the articles of dissolution shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission within ninety days after approval by the commission of the filing of the articles of dissolution.

E. The articles of dissolution are not complete until the commission has received a notice from the department of revenue that the tax levied under title 42, chapter 5, article 1 against the corporation has been paid, or until the department of revenue notifies the commission that the corporation is not subject to the tax and the commission has received from the department of revenue a certificate issued by the department of revenue pursuant to section 43-1151.

Sec. 21. Section 10-11420, Arizona Revised Statutes, is amended to read:

10-11420. Grounds for administrative dissolution

The commission may commence a proceeding under section 10-11421 to administratively dissolve a corporation if either:

1. The corporation does not pay within sixty days after they are due any fees or penalties imposed by chapters 24 through 40 of this title.

2. The corporation does not deliver its annual report to the commission within sixty days after it is due.

3. The corporation is without a statutory agent or known place of business in this state.

4. The corporation does not notify the commission within sixty days that its statutory agent or known place of business has been changed, that its statutory agent has resigned or that its known place of business has been discontinued.

5. The corporation has failed to make any publication required by this title ~~and file an affidavit of publication within the time prescribed by this title~~, provided the commission has notified the corporation of the intent of the commission to commence a dissolution proceeding for that reason after that notice and the corporation has failed to file an affidavit **OR OTHER APPROPRIATE EVIDENCE** of publication within sixty days.

6. The corporation's period of duration stated in its articles of incorporation expires.

7. The corporation has failed to comply with section 10-3202, subsection F.

8. Any officer or other representative of the corporation has made any misrepresentation of a material matter in any application, report, ~~affidavit~~ or other document submitted by the corporation pursuant to chapters 24 through 40 of this title.

9. The commission has not received the notice required by section 10-11403, subsection E within six months after filing articles of dissolution.

10. The corporation has failed to file a certificate of disclosure or answer interrogatories as prescribed in chapters 24 through 40 of this title.

11. The corporation failed to comply with section 10-11623, subsection A.

Sec. 22. Section 10-11503, Arizona Revised Statutes, is amended to read:

10-11503. Application for certificate of authority

A. A foreign corporation may apply for authority to conduct affairs in this state by delivering an application and a certificate of disclosure to the commission for filing. The certificate of disclosure shall contain the information set forth in section 10-3202, subsection D and is subject to the requirements of section 10-3202, subsection F. The application shall be executed by the corporation and shall set forth:

1. The name of the foreign corporation and, if its name is unavailable for use in this state, a corporate name that satisfies the requirements of section 10-11506.

2. The name of the state or country under whose law it is incorporated.

3. Its date of incorporation and period of duration.

4. The street address of its principal office in its state or country of incorporation.

5. The street address of the proposed known place of business of the corporation in this state and the name and street address of its proposed statutory agent in this state.

6. If its purpose or purposes are narrower than the transaction of any or all lawful affairs in which corporations may engage in the state or country under whose law it is incorporated, a statement of the limitations on its purpose.

7. The names and usual business addresses of its current directors and officers.

8. Whether the foreign corporation has members.

9. A brief statement of the character of business that the corporation initially intends actually to conduct in this state. This statement does not limit the character of business that the corporation ultimately conducts.

B. The foreign corporation shall deliver the application and the certificate of disclosure to the commission, together with a copy of its articles of incorporation, any amendments to the articles of incorporation and a certificate of existence or a document of similar import duly authenticated by the secretary of state or other official having custody of corporate records in the state or country under whose law it is incorporated, and the nonrefundable fees required by law.

C. After determining that the application sets forth the information required by this section, does not use as the name of the corporation in this state a name that is in violation of section 10-11506 and appears in all other respects to conform to the requirements of this article, the commission shall file the application. The date of filing shall be the date on which the corporation is granted authority to transact business in this state.

D. Within sixty days after the commission has approved the filing, a copy of the application shall be published. An affidavit evidencing the publication ~~shall~~ **MAY** be filed within ninety days after approval by the commission of the filing of the application.

E. A foreign corporation authorized to transact business in this state is subject to section 10-11623. Sec. 23. Section 10-11520, Arizona Revised Statutes, is amended to read:

10-11520. Withdrawal of foreign corporation

A. A foreign corporation authorized to conduct affairs in this state shall not withdraw from this state until the commission files its application for withdrawal.

B. A foreign corporation authorized to conduct affairs in this state may apply to surrender the authority by delivering an application to the commission for filing. The application shall set forth:

1. The name of the foreign corporation and the name of the state or country under whose law it is incorporated.
2. That it is not conducting affairs in this state and that it surrenders its authority to conduct affairs in this state.
3. That the foreign corporation revokes the authority of its statutory agent to accept service on its behalf and appoints the commission as its agent for service of process in any proceeding based on a cause of action arising during the time it was authorized to conduct affairs in this state.
4. A mailing address to which the commission may mail a copy of any process served on the commission pursuant to its appointment as the foreign corporation's agent for service of process.
5. A commitment to notify the commission in the future of any change in the foreign corporation's mailing address.

C. The application for withdrawal is not considered complete until the commission has received a notice from the department of revenue to the effect that the tax levied under title 42, chapter 5, article 1 against the foreign corporation has been paid or until it is notified by the department of revenue that the applicant is not subject to the tax and further has received from the department of revenue its certificate issued pursuant to section 43-1151.

D. The application for withdrawal is not considered complete until all fees, penalties and costs required to be paid under this chapter have been paid ~~and until the commission has received an affidavit that a copy of the application for withdrawal has been published.~~

E. After determining that the application appears in all respects to conform to the requirements of this chapter and when all fees have been paid as are prescribed in this chapter, the commission shall file the application in the manner provided in section 10-3120. On the filing of the application for withdrawal, the authority of the foreign corporation to transact business in this state ceases.

F. After the withdrawal of the corporation is effective, service of process on the commission under this section is service on the foreign corporation. On receipt of process, the commission shall mail a copy of the process to the foreign corporation at the mailing address set forth in its application for withdrawal.

Sec. 24. Section 10-11530, Arizona Revised Statutes, is amended to read:

10-11530. Grounds for revocation

The commission may commence a proceeding under section 10-11531 to revoke the authority of a foreign corporation to conduct affairs in this state if any of the following conditions exist:

1. The foreign corporation does not deliver the annual report to the commission within the time required by chapters 24 through 40 of this title.
2. The foreign corporation does not pay any fees or penalties imposed by chapters 24 through 40 of this title when they become due and payable.
3. The foreign corporation is without a statutory agent or known place of business in this state for sixty days or more.
4. The foreign corporation does not inform the commission that its statutory agent or its known place of business has changed or that its statutory agent has resigned within sixty days of the change or resignation.
5. The foreign corporation has failed to make any publication required by this title ~~and file an affidavit of publication thereof within the time prescribed by this title~~, provided the commission has notified the foreign corporation of the intent of the commission to commence a revocation

proceeding for that reason and the foreign corporation has failed to file an affidavit **OR OTHER APPROPRIATE EVIDENCE** of publication within sixty days after that notice.

6. An incorporator, director, officer or agent of the foreign corporation signed a document such person knew was false in any material respect with intent that the document be delivered to the commission for filing.

7. The commission receives a duly authenticated certificate from the secretary of state or other official having custody of corporate records in the state or country under whose law the foreign corporation is incorporated stating that it has been dissolved or disappeared as the result of a merger.

8. The corporation has failed to file a certificate of disclosure or answer interrogatories as prescribed in chapters 24 through 40 of this title.

9. Any officer or other representative of the corporation has made any misrepresentation of a material matter in any application, report, ~~affidavit~~ or other document submitted by the corporation pursuant to chapters 24 through 40 of this title.

Sec. 25. Section 10-11622, Arizona Revised Statutes, is amended to read:

10-11622. Annual report

A. Each domestic corporation and each foreign corporation authorized to conduct affairs in this state shall deliver to the commission for filing an annual report that sets forth all of the following:

1. The name of the corporation and the state or country under whose law it is incorporated.
2. The address of its known place of business and the name and address of its agent in this state.
3. The address of its principal office.
4. The names and business addresses of its directors and principal officers.
5. A brief description of the nature of its activities.
6. Whether or not it has members.
7. A certificate of disclosure containing the information set forth in section 10-3202, subsection D.
8. A statement that all corporate income tax returns required by title 43 have been filed with the department of revenue.

~~9. A statement of its financial condition.~~

B. The information in the annual report shall be current as of the date the annual report is executed on behalf of the corporation.

C. The annual report for all corporations shall be delivered to the commission for filing, and the annual fee shall be paid on or before the date assigned by the commission. The commission may stagger the annual report filing date for all corporations and adjust the annual fee on a pro rata basis. The corporation shall deliver the annual report to the commission for filing each subsequent year in the anniversary month on the date assigned by the commission. If a corporation is unable to file the annual report required by this section on or before the date prescribed by this section, the corporation may file, but only on or before this date, a written request with the commission for an extension of time, not to exceed six months, in which to file the annual report. The request for an extension of time shall be accompanied by the annual registration fee required by law. After filing the request for an extension of time and on receipt of the annual registration fee, the commission shall grant the request.

D. If an annual report does not contain the information requested by this section, the commission shall promptly notify the reporting domestic or foreign corporation in writing and shall return the report to it for correction. If the report is corrected to contain the information required by this section and delivered to the commission within thirty days after the effective date of notice, it is deemed to be timely filed.

E. Any corporation that is exempt from the requirement of filing an annual report shall deliver annually a certificate of disclosure containing the information set forth in section 10-3202, subsection D, executed by any two executive officers or directors of the corporation on or before May 31. If the certificate is not delivered within ninety days after the due date of the annual report

or within ninety days after May 31 in the case of any corporation that is exempt from the requirement of filing an annual report, the commission shall initiate administrative dissolution of that corporation or revoke the application for authority of that corporation in accordance with chapters 24 through 40 of this title.

Sec. 26. Section 29-304, Arizona Revised Statutes, is amended to read:

29-304. Specified office and agent

A. Each limited partnership shall continuously maintain in this state:

1. An office, which may but need not be a place of its business in this state, at which shall be kept the records required by section 29-305 to be maintained; and

2. An agent for service of process on the limited partnership, which agent shall be an individual resident of this state, a domestic corporation, **A DOMESTIC LIMITED LIABILITY COMPANY**, ~~or~~ a foreign corporation **OR A FOREIGN LIMITED LIABILITY COMPANY** authorized to do business in this state. A statutory agent of a limited partnership may resign as agent by delivering a written notice to the secretary of state and mailing a copy of the notice to the partnership at its last known address. The appointment of the agent terminates thirty days after receipt of the notice by the secretary of state or on the appointment of a new statutory agent, whichever occurs first.

B. If a limited partnership fails to appoint or maintain an agent for service of process in this state or the agent for service of process cannot with reasonable diligence be found at the agent's address, the secretary of state is an agent of the limited partnership on whom process, notice or demand may be served.

C. If the secretary of state accepts service of process, notice or demand pursuant to subsection B of this section, the secretary of state shall forward by certified mail ~~the~~ the summons and the complaint to the limited partnership at the address on file with the secretary of state at the time of service.

D. The secretary of state is not liable for any damages incurred by the limited partnership if the limited partnership does not receive the summons and complaint.

Sec. 27. Section 29-601, Arizona Revised Statutes, is amended to read:

29-601. Definitions

In this chapter, unless the context otherwise requires:

1. "Articles of organization" means the initial articles of organization as amended or restated from time to time.

2. "Assignee" means any person who acquires in any manner the ownership of an interest in a limited liability company and who has not been admitted as a member.

3. "Capital contribution" means cash, other property, the use of property, services rendered or any other valuable consideration transferred to a limited liability company as consideration for issuing an interest in a limited liability company.

4. "Commission" means the corporation commission.

5. "Court" includes any court and judge with jurisdiction in the case.

6. "Domestic limited liability company" or "limited liability company" means a limited liability company organized and existing under this chapter.

7. "Event of withdrawal" means an event that causes a person to cease to be a member as provided in section 29-733.

8. "Executed" means executed by manual or facsimile signature on behalf of the limited liability company by a duly authorized member if management of the limited liability company is reserved to the members or manager if management of the limited liability company is vested in a manager, or if the limited liability company is in the hands of a receiver or trustee, by the receiver or trustee.

9. "Filing" means the commission completing the following procedure with respect to any document delivered for that purpose:

(a) Determining that the filing fee requirements of this chapter have been satisfied.

(b) Determining that the document appears in all respects to conform to the requirements of this chapter.

(c) On making the determinations required by this paragraph, endorsement of the word "filed" with the applicable date on or attached to the document and the return of copies to the person who delivered the document or the person's representative.

10. "Foreign limited liability company" means either:

(a) An unincorporated entity or association that is owned by one or more persons that have limited liability for the debts of the business, other than a partnership or trust, and that is formed under the laws of a jurisdiction other than this state for any lawful purpose, including the rendering of professional services as defined in that jurisdiction.

(b) An entity or unincorporated association that is formed under the laws of a jurisdiction other than this state for any lawful purpose, including the rendering of professional services as defined in that jurisdiction, and that is characterized as a limited liability company by those laws.

11. "Initial articles of organization" means the articles of organization filed with the commission at the time a limited liability company is formed, including articles of organization that are corrected to conform to the filing provisions of this chapter pursuant to section 29-634, subsection ~~B-C~~, paragraph 2.

12. "Member" means a person who is admitted as a member in a limited liability company pursuant to this chapter until an event of withdrawal occurs with respect to the person and, if reference is made to members, that reference means a member in the case of a limited liability company that has a single member. **A MEMBER INCLUDES A NONECONOMIC MEMBER OF A LIMITED LIABILITY COMPANY WHO:**

(a) **DOES NOT OWN A MEMBER'S INTEREST IN THE COMPANY.**

(b) **DOES NOT HAVE AN OBLIGATION TO CONTRIBUTE CAPITAL TO THE COMPANY.**

(c) **DOES NOT HAVE A RIGHT TO PARTICIPATE IN OR RECEIVE DISTRIBUTIONS OF PROFITS OF THE COMPANY OR AN OBLIGATION TO CONTRIBUTE TO THE LOSSES OF THE COMPANY.**

(d) **MAY HAVE VOTING RIGHTS AND OTHER RIGHTS AND PRIVILEGES AS PRESCRIBED BY THE ARTICLES OF ORGANIZATION OR OPERATING AGREEMENT.**

13. "Member's interest", "interest in a limited liability company" or "interest in the limited liability company" means a member's share of the profits and losses of a limited liability company and the right to receive distributions of limited liability company assets.

14. "Operating agreement" means either:

(a) Any written or oral agreements among all members concerning the affairs of a limited liability company or the conduct of its business.

(b) In the case of a limited liability company that has a single member, any written or oral statement of the member made in good faith purporting to govern the affairs of a limited liability company or the conduct of its business as of the effective time of the statement.

15. "Person" includes any individual, general partnership, limited partnership, domestic or foreign limited liability company, corporation, trust, business trust, real estate investment trust, estate and other association.

16. "Real property" includes land, any interest, leasehold or estate in land and any improvements on it.

17. "State" means a state, possession or territory of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

Sec. 28. Section 29-631, Arizona Revised Statutes, is amended to read:

29-631. Formation; parents and subsidiaries

A. One or more persons may form a limited liability company by signing and filing with the commission an original copy of the articles of organization for the limited liability company. The person or persons need not be members of the limited liability company at the time of formation or after formation has occurred.

B. NOTWITHSTANDING ANY OTHER LAW, A PARENT LIMITED LIABILITY COMPANY AND ITS SUBSIDIARY LIMITED LIABILITY COMPANIES MAY BE FORMED AT THE SAME TIME.

Sec. 29. Section 29-634, Arizona Revised Statutes, is amended to read:

29-634. Filing with the commission

A. One copy of the signed original articles of organization, application for a certificate of registration or any other document required to be filed pursuant to this chapter shall be delivered to the commission. ~~If the commission determines that the documents conform to the filing provisions of this chapter, it shall, when all fees required pursuant to section 29-851 have been paid:~~

THE COMMISSION SHALL FILE A DOCUMENT DELIVERED TO THE COMMISSION FOR FILING IF ALL OF THE FOLLOWING APPLY:

1. THE COMMISSION DETERMINES THAT THE DOCUMENT CONFORMS TO THE FILING PROVISIONS OF THIS CHAPTER.

2. THE LIMITED LIABILITY COMPANY FILING THE DOCUMENT OR ON WHOSE BEHALF THE DOCUMENT IS BEING FILED, IS IN GOOD STANDING WITHIN THE MEANING OF SECTION 29-614.

3. ALL FEES REQUIRED PURSUANT TO SECTION 29-851 HAVE BEEN PAID.

B. THE COMMISSION MAY FILE A DOCUMENT DELIVERED TO THE COMMISSION THAT IS REQUIRED TO BRING THE LIMITED LIABILITY COMPANY INTO GOOD STANDING. THE COMMISSION SHALL:

1. Endorse, stamp or attach on the signed original and duplicate copy the word "filed" and the date and time of its acceptance for filing.

2. Retain the signed original in the commission's files.

3. Return a duplicate copy to the person who filed it or the person's representative.

~~B-C.~~ C. If the commission is unable to make the determination required for filing by subsection A of this section at the time any documents are delivered for filing, the documents are deemed to have been filed at the time of delivery if the commission subsequently determines either of the following:

1. The documents as delivered conform to the filing provisions of this chapter.

2. Within thirty days after notification of nonconformance is given by the commission to the person who delivered the documents for filing or the person's representative, the documents are brought into conformance.

~~C-D.~~ D. A document may specify a delayed effective time or date, or both, and is effective at that specified time and date. If the document specifies a delayed effective date but does not specify the time, the document is effective on the specified date at 12:01 a.m. mountain standard time. A delayed effective date for a document may not be later than the ninetieth day after the date the document is delivered to the commission for filing.

~~D-E.~~ E. If the filing and determination requirements of this chapter are not satisfied completely within the time prescribed in subsection B, paragraph 2 of this section, the documents shall not be filed.

Sec. 30. Section 29-635, Arizona Revised Statutes, is amended to read:

29-635. Formation of limited liability company

A. Except as provided in section 29-634, subsection ~~C-D~~, a limited liability company is formed when the articles of organization are delivered to the commission for filing, even if the commission is unable to make the determination required for filing by section 29-634, subsection A at the time of delivery. If the articles of organization, as delivered to the commission, do not conform to the filing provisions of this chapter and are not brought into conformance within the time period prescribed by section 29-634, subsection ~~B-C~~, paragraph 2, the existence of the limited liability company terminates at the end of the time period.

B. A copy of the articles of organization that is filed with the commission and that is stamped "filed" and marked with the filing date is conclusive evidence that all conditions precedent required to be performed by the organizers have been complied with and that the limited liability company has been legally organized and formed under this chapter. A limited liability company continues perpetually unless otherwise provided in its articles of organization or operating agreement or until the limited liability company is dissolved and terminated in accordance with this chapter.

C. Within sixty days after the commission has approved the filing there shall be published in a newspaper of general circulation in the county of the known place of business, for three consecutive

publications, a notice of the filing of such articles of organization consisting of the information required in section 29-632, subsection A, paragraphs 1, 2, 3, 5 and 6. An affidavit evidencing publication ~~shall~~ MAY be filed within ninety days after approval by the commission of the filing of the articles of organization.

Sec. 31. Section 29-783, Arizona Revised Statutes, is amended to read:

29-783. Articles of termination

If all of the known property and assets of a limited liability company have been applied and distributed pursuant to this chapter, written articles of termination shall be signed on behalf of the limited liability company by a manager if management of the limited liability company is vested in one or more managers or by a member if management of the limited liability company is reserved to the members. The articles of termination shall be filed with the commission and shall state:

1. The name of the limited liability company.

~~2. That all debts, obligations and liabilities have been paid and discharged or that adequate provisions have been made for them pursuant to section 29-782.~~

~~3.~~ 2. That all of the known properties and assets of the limited liability company have been applied and distributed pursuant to this chapter.

~~4. That there are no suits pending against the company in any court or that adequate provisions have been made for the satisfaction of any judgment, order or decree that may be entered against it in any pending suit.~~

Sec. 32. Section 29-784, Arizona Revised Statutes, is amended to read:

29-784. Effect of signing articles of termination

On the filing of the articles of termination the existence of the limited liability company ceases, except for the purpose of suits, other proceedings and appropriate action as provided in this chapter. The managers in office at the time of termination or, if none, the members ~~are thereafter trustees for the members and creditors of the terminated limited liability company and as such~~ may distribute any of the limited liability company's property discovered after termination, may convey real estate and may take other action as necessary on behalf of and in the name of the terminated limited liability company **TO WIND UP AND LIQUIDATE THE BUSINESS AND AFFAIRS OF THE LIMITED LIABILITY COMPANY.**

Sec. 33. Section 29-786, Arizona Revised Statutes, is amended to read:

29-786. Administrative dissolution

A. The commission may administratively dissolve a limited liability company in the manner provided by this section if the limited liability company either:

1. Fails to amend its articles of organization as required by section 29-633, subsection B.

2. Has failed to make any publication required by this chapter ~~and has failed to file an affidavit of publication thereof required by this chapter.~~

3. Is without a statutory agent or known place of business in this state for at least sixty days.

4. Does not notify the commission within sixty days after its statutory agent or known place of business has changed or within sixty days after its statutory agent has resigned.

5. Fails to respond to interrogatories as prescribed in section 29-612.

6. Fails to pay any fees or penalties required pursuant to this chapter within sixty days after the fees or penalties are due.

B. If the commission determines that one or more grounds exist under subsection A of this section for dissolving a limited liability company, it shall give written notice of its determination by mail addressed to the statutory agent of the limited liability company, or if the limited liability company fails to appoint and maintain a statutory agent, addressed to the known place of business required to be maintained pursuant to section 29-604, subsection A, paragraph 1.

C. If the limited liability company does not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the commission that each ground determined by the commission does not exist within sixty days after service of the notice, the commission shall administratively dissolve the

limited liability company by signing a certificate of dissolution that recites the ground or grounds for dissolution and its effective date. The commission shall file the original of the certificate and mail a copy to the limited liability company addressed to its statutory agent, or if the limited liability company fails to appoint and maintain a statutory agent, addressed to the known place of business required to be maintained pursuant to section 29-604, subsection A, paragraph 1.

D. A limited liability company administratively dissolved pursuant to this section continues in existence but may not carry on any business except as necessary to wind up and liquidate its business and affairs under section 29-782, subsection B. **IF THE LIMITED LIABILITY COMPANY HAS NOT APPLIED FOR REINSTATEMENT WITHIN SIX MONTHS AFTER THE EFFECTIVE DATE OF THE DISSOLUTION, THE COMMISSION SHALL RELEASE THE COMPANY NAME FOR USE IN ACCORDANCE WITH CHAPTER 4 OF THIS TITLE OR BY A PERSON INTENDING TO REGISTER THE NAME AS A TRADEMARK PURSUANT TO TITLE 44, CHAPTER 10, ARTICLE 3.1.**

E. A limited liability company administratively dissolved under this section may apply to the commission for reinstatement within six years after the effective date of dissolution. The application shall both:

1. Recite the name of the limited liability company and the effective date of its administrative dissolution.
2. State either that the ground or grounds for dissolution did not exist or that the ground or grounds have been eliminated.

F. If the commission determines that the application contains the information required by subsection E of this section, and that the information is correct, it shall cancel the certificate of dissolution, prepare a certificate of reinstatement that recites this determination and the effective date of reinstatement, file the original of the certificate and mail a copy to the limited liability company addressed to its statutory agent.

G. When the reinstatement is effective, it relates back to and takes effect as of the effective date of the administrative dissolution and the limited liability company resumes carrying on its business as if the administrative dissolution had never occurred. **IF ANOTHER COMPANY HAS ADOPTED THE NAME OF THE LIMITED LIABILITY COMPANY OR ANOTHER PERSON HAS ADOPTED THE NAME OF THE COMPANY AS A TRADEMARK, THE APPLICATION SHALL BE ACCOMPANIED BY ARTICLES OF AMENDMENT THAT ARE IN ACCORDANCE WITH CHAPTER 4 OF THIS TITLE AND THAT ADOPT A NEW NAME FOR THE LIMITED LIABILITY COMPANY THAT COMPLIES WITH CHAPTER 4 OF THIS TITLE.**

H. The administrative dissolution of a limited liability company does not terminate the authority of a statutory agent.

I. A limited liability company that has been administratively dissolved pursuant to this section may bring an action against the commission in superior court to review the commission's refusal to reinstate the limited liability company. The action by the limited liability company shall be brought within six months after the commission's refusal becomes final. The superior court shall hear and determine the action as a trial de novo. In any such action the burden of proof shall be on the party adverse to the commission.

Sec. 34. Section 44-1236, Arizona Revised Statutes, is amended to read:

44-1236. Certificate of name required: exceptions

A. Any person other than a partnership transacting business in this state under a fictitious name or a designation not showing the name of the owner of the business or the name of the corporation doing such business shall record with the county recorder of the county in which the place of business is located a certificate stating in full either:

1. The name of the owner of the business and his or her place of residence, signed by the owner and acknowledged.
2. If a corporation, the name and address of the corporation, signed by the statutory agent and acknowledged.

B. A new certificate shall be recorded upon any change in ownership of the business using a fictitious name unless such business is a corporation.

C. A new certificate shall be recorded if a corporation transfers the right to use such fictitious name to another corporation.

D. A person or corporation doing business contrary to this section shall not maintain an action upon or on account of a contract or transaction made in the fictitious name in any court of this state until such person has first recorded the certificate required by this section.

E. THIS SECTION DOES NOT APPLY TO A PERSON OR CORPORATION THAT HAS EITHER:

1. FILED A TRADE NAME CERTIFICATE WITH THE SECRETARY OF STATE.

2. OBTAINED AUTHORIZATION FROM THE CORPORATION COMMISSION TO CONDUCT BUSINESS AS A FOREIGN CORPORATION USING A PARTICULAR NAME.

APPROVED BY THE GOVERNOR JULY 7, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 7, 2008.